

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5237-01
Bill No.: SB 1015
Subject: Agriculture and Animals; Agriculture Dept.; Health Dept.; Health, Public;
Political Subdivisions
Type: Original
Date: March 16, 2010

Bill Summary: Creates a state permit that supercedes local permits for certain vendors at farmer's markets.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture** assume there will be no fiscal impact to their agency.

Officials from the **Department of Health and Senior Services (DOH)** assume the proposed legislation requires the Department of Health and Senior Services (DHSS) to develop a permit and inspection program for individuals seeking a permit and wishing to sell agricultural products at produce stands or farmer's markets that are located in different jurisdictions. DHSS will need to promulgate rules in order to issue permits. This will result in the need to hire additional staff to administer this program.

Using data received from a study produced by Missouri State University in 2010, "Economic Impact of Farmer's Markets on the State of Missouri", there are currently 170 farmer's markets registered with the Missouri Department of Agriculture with an average number of 14 vendors at each market, with a total of 2,380 vendors. DHSS estimates 50 percent or 1,190 vendors may seek a permit through the state as a result of this proposed legislation. Currently inspections of these vendors would be the responsibility of the Local Public Health Agencies when receiving a local permit however establishing a state permit for these vendors assumes the state will take on the annual inspection required under the Missouri Food Code. The farmer's markets are usually held from February to October each year therefore the department would need staff to operate this program during that timeframe. DHSS estimates the need to hire nine additional staff in order to administer this program:

One Health Program Representative I/II (Range A21, Step G) at three fourths time (February through October) would be needed to administer the permits and maintain the permit inventory.

Eight Environmental Public Health Specialist IIIs (Range A25, Step G) at three fourths time (February through October) would be needed to conduct the inspections. One inspector can complete approximately 200 inspections per year. This equates to 150 inspections in a nine month period $[200 \times (9/12)]$. Thus, with an estimated 1,190 inspections to complete in nine months, eight inspectors would be needed $(1,190/150=7.93)$. These positions would also provide technical assistance and training to the LPHAs and individuals. To provide the most efficient and effective method of timely inspections, the inspectors will be located in the following areas: two in St. Louis, Independence, and Jefferson City; and one in Springfield and Poplar Bluff. Eight positions at three-fourths time equates to the salary of six FTE, but expense and equipment costs are calculated for eight positions.

ASSUMPTION (continued)

The online permit application will be a fillable PDF document that an individual can fill out online, print, and mail to DHSS. For fiscal note purposes DHSS assumes the permit fees would be deposited into General Revenue. Assuming 1,190 vendors would seek permits through the state, the revenue generated from the fee would be \$29,750 (1,190 x \$25) every three years.

Oversight assumes the Department of Health and Senior Services could absorb the cost of these FTE within their current appropriation level. If additional produce stands are added increasing the revenue produced by the fee the Department of Health and Senior Services could request funding through the appropriation process. It is also assumed that the inspections are performed by local governments and the Department would then contract with local government to perform the inspections for a state permit.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes, persons wanting to obtain a permit from the State of Missouri will be required to pay a \$25 permit fee that lasts for three years.

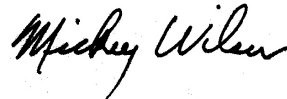
FISCAL DESCRIPTION

The act creates a state permit for individuals who sell items at farmer's markets in more than one local jurisdiction. The state permit is not required, but may be used to take the place of locally-required permits in those areas. The Department of Health and Senior Services must administer the permits and must have an on-line application process. The department may charge a processing fee not to exceed \$25 per application. Permits are valid for 3 years and may be renewed. The permit does not exempt the holder from complying with any other applicable food safety laws.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 16, 2010